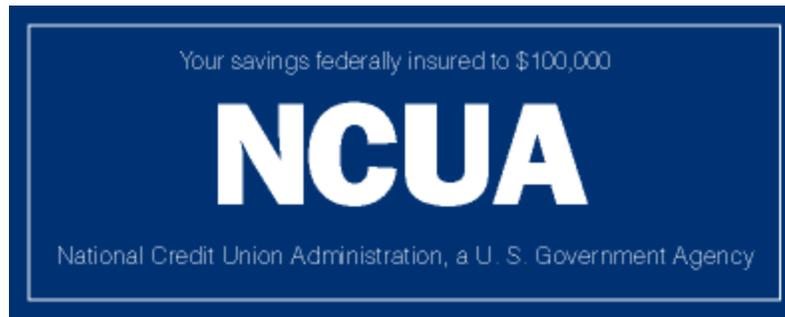
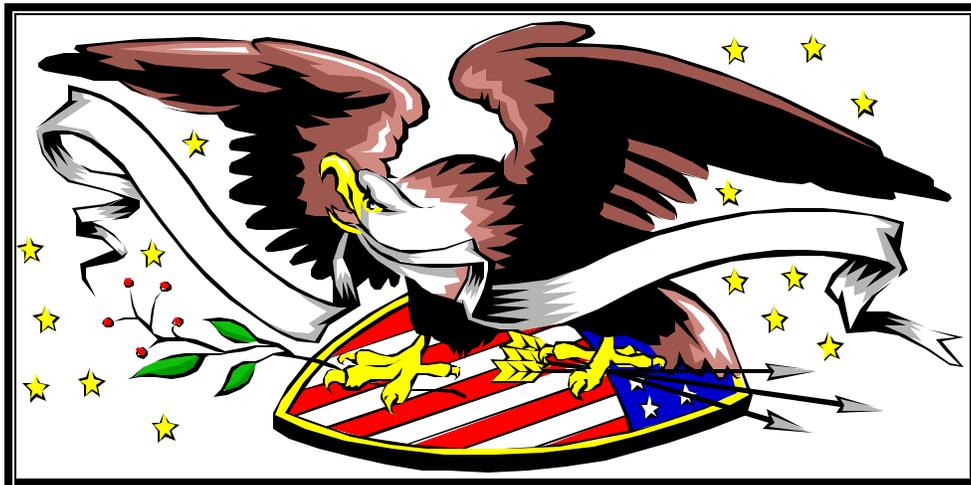


NATIONAL CREDIT ADMINISTRATION OFFICE OF INSPECTOR GENERAL



REPORT TO CONGRESS

October 1, 2002 – March 31, 2003





INSPECTOR GENERAL'S MESSAGE TO THE NCUA BOARD AND THE CONGRESS

It is my pleasure to submit this semiannual report on the accomplishments of the National Credit Union Administration (NCUA) Office of the Inspector General (OIG) for the six-month period ending on March 31, 2003. This report summarizes the major activities and accomplishments of the OIG during this reporting period.

This was a period of significant change for the OIG. NCUA's Inspector General for many years, Frank Thomas, retired on September 2, 2002, and I was appointed as NCUA's Inspector General by the NCUA Board on October 17, 2002. I am excited about the challenges of this responsibility, and I look forward to making an important and significant contribution as Inspector General.

In our ongoing effort to educate agency employees concerning the investigative jurisdiction of the OIG, we directed considerable effort this reporting period to drafting a revision of the agency's detailed policy statement on reporting various matters to the OIG. Throughout our revision process, we engaged in a shared dialogue with agency managers to ensure that past misapprehensions regarding our investigative jurisdiction are addressed and clarified in the updated policy. I am hopeful that the completed guidance will be issued in the near future.

During this past reporting period, the OIG completed an audit of NCUA Region II's member complaint handling process. As a result of our findings during that audit, we subsequently initiated a comprehensive review—on a nation-wide basis—of NCUA's member complaint handling process that will also include an analysis of "best practices" within the federal financial institution regulatory community. In addition, the financial audit report for the year ending December 31, 2002, rendered unqualified opinions for each of NCUA's financial funds for the 18th consecutive year.

The OIG opened seven new investigations and carried over seven investigations from the last reporting period. We reported on and/or closed ten cases during this reporting period. Also, we issued one management implication report to agency management on the inappropriate use of post office boxes for residency determinations. The three remaining open investigations involve contract fraud and employee misconduct.

I am grateful for the support and encouragement I have received from the agency and the warm reception I received from OIG staff. I plan to strive for a productive and cooperative working relationship with the NCUA Board and senior NCUA staff, while maintaining the necessary degree of independence. As a result of input we solicited from the NCUA Board and senior NCUA staff, the OIG staff worked together at our strategic planning meeting last fall to develop our 5-year Strategic Plan and Annual Performance Plan. Both plans can be found on the OIG website. I look forward to the work we have planned and hope that the agency will gain a better understanding and appreciation of the OIG and its dedicated employees as a result.

Herbert S. Yolles
Inspector General

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MISSION STATEMENTS

THE NCUA MISSION

OUR CHARGE IS TO FOSTER THE SAFETY AND SOUNDNESS OF FEDERALLY INSURED CREDIT UNIONS AND TO BETTER ENABLE THE CREDIT UNION COMMUNITY TO EXTEND AVAILABILITY OF FINANCIAL SERVICES FOR PROVIDENT AND PRODUCTIVE PURPOSES TO ALL WHO SEEK SUCH SERVICE, WHILE RECOGNIZING AND ENCOURAGING THE HISTORICAL EMPHASIS BY CREDIT UNIONS ON EXTENSION OF FINANCIAL SERVICES TO THOSE OF MODEST MEANS.

WE DO THIS BY MANAGING THE SHARE INSURANCE FUND IN AN EFFICIENT AND PRUDENT MANNER AND ESTABLISHING A REGULATORY ENVIRONMENT THAT ENCOURAGES INOVATION, FLEXIBILITY, AND CONTINUED FOCUS ON ATTRACTING NEW MEMBERS AND IMPROVING FINANCIAL SERVICE TO EXISTING MEMBERS.

THE OFFICE OF INSPECTOR GENERAL MISSION

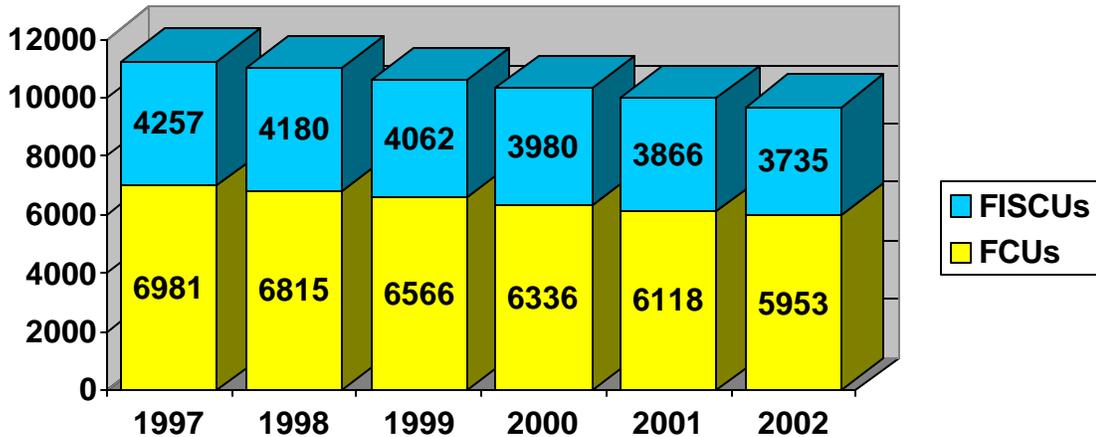
THE OIG PROMOTES THE ECONOMY, EFFICIENCY, AND EFFECTIVENESS OF NCUA PROGRAMS AND OPERATIONS, AND DETECTS AND DETERS FRAUD, WASTE, AND ABUSE, THEREBY SUPPORTING NCUA'S MISSION OF MONITORING AND PROMOTING SAFE AND SOUND FEDERALLY INSURED CREDIT UNIONS.

WE ACCOMPLISH OUR MISSION BY CONDUCTING INDEPENDENT AUDITS, INVESTIGATIONS, AND OTHER ACTIVITES, AND BY KEEPING THE NCUA BOARD AND THE CONGRESS FULLY AND CURRENTLY INFORMED OF OUR WORK.

INTRODUCTION

The National Credit Union Administration (NCUA) was established as an independent, federal regulatory agency on March 10, 1970. The agency is responsible for chartering, examining, supervising, and insuring federal credit unions. It also insures state-chartered credit unions that have applied for insurance and have met National Credit Union Share Insurance requirements. NCUA is funded entirely by credit unions; it does not receive any tax dollars. As of December 31, 2002, the NCUA was supervising and insuring 5,953 Federal credit unions and insuring 3,735 state-chartered credit unions, a total of 9,688 institutions. This represents a loss of 79 Federal and 47 state-chartered institutions since June 30, 2002, for a total loss of 126 credit unions nation-wide.

Federally Insured Credit Unions

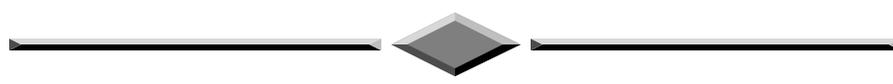
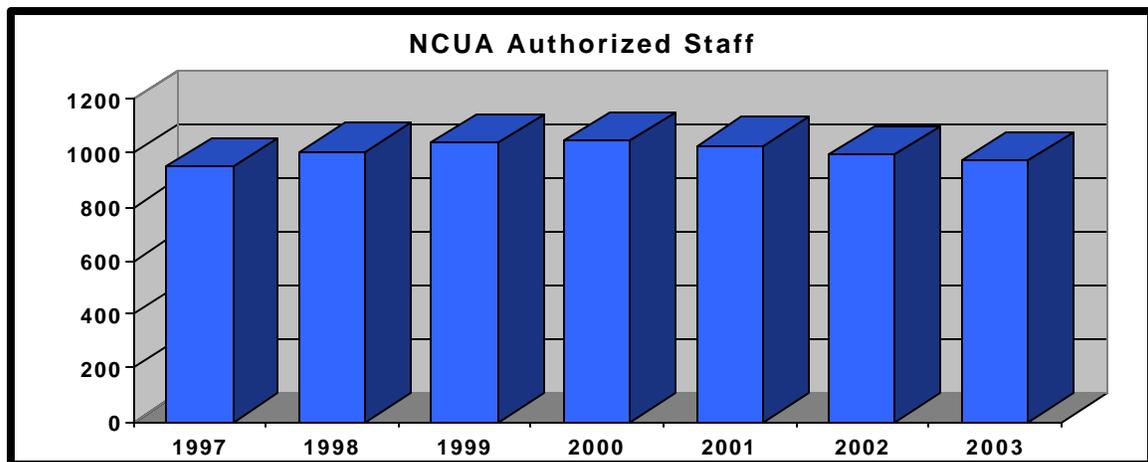
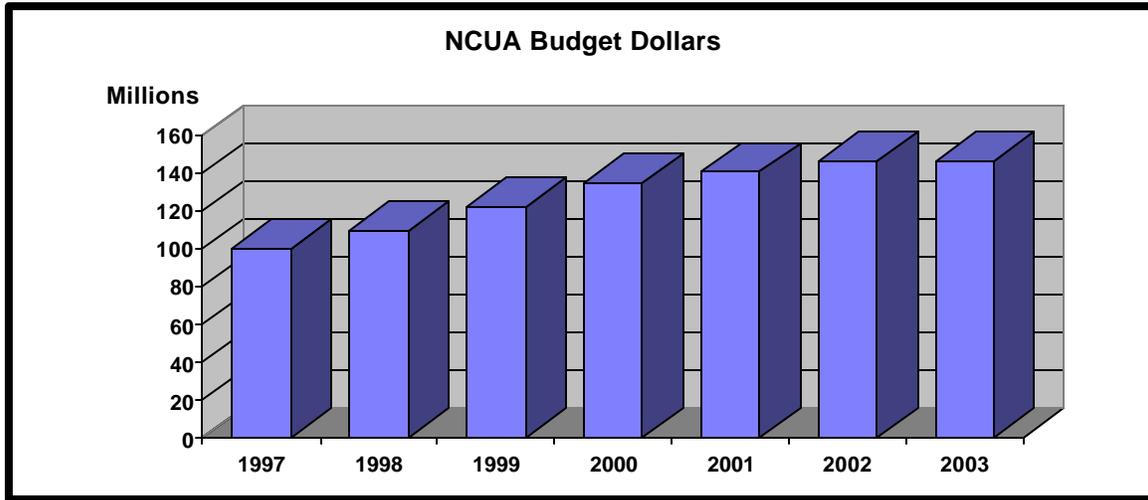


NCUA operates under the direction of a Board composed of three members. Board members are appointed by the President and confirmed by the Senate. They serve six-year terms. Terms are staggered, so that one term expires every two years. The Board is responsible for the management of the National Credit Union Administration, including the NCUA Operating Fund, the Share Insurance Fund, the Central Liquidity Facility, and the Community Development Revolving Loan Fund.

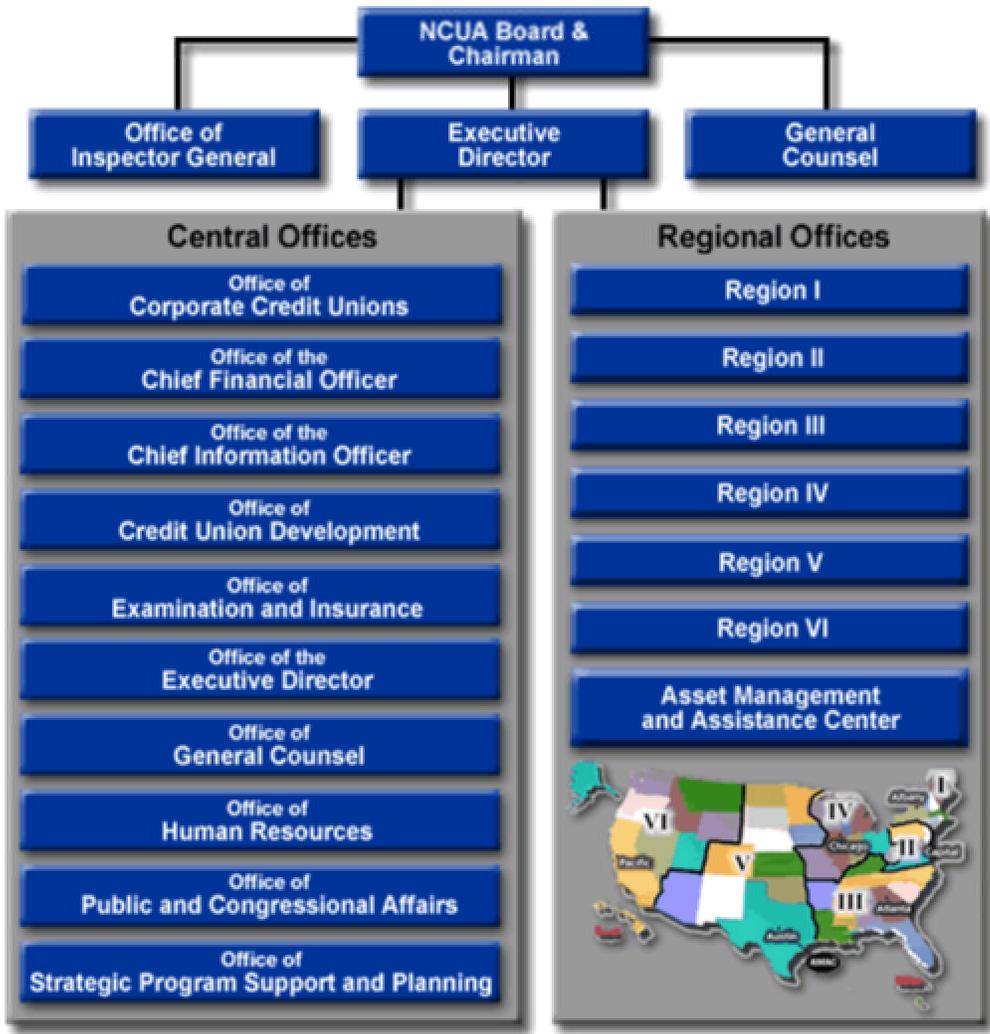
The National Credit Union Administration executes its program through its central office in Alexandria, Virginia and regional offices in Albany, New York; Alexandria, Virginia; Atlanta, Georgia; Lisle, Illinois; Austin, Texas; and Concord, California. NCUA also operates the Asset Management and Assistance Center (AMAC) in Austin, Texas. Please refer to the NCUA organizational chart on page 3.

The NCUA Board adopted its 2003 budget on November 21, 2002. The final revised 2003 budget of \$146,079,711 represents a decrease of \$489 million from the 2002

budget. The Full Time Equivalent (FTE) staffing authorization for 2003 is 971, a reduction of 24 positions over the 2002 total of 995.



NCUA ORGANIZATION CHART



NCUA HIGHLIGHTS

NCUA PLANS REGIONAL OFFICE REALIGNMENT

In November 2002, the NCUA Board approved a regional restructuring plan to relocate the agency's Region VI (Concord, Calif.) regional office from a high cost to lower cost area and to close its Region IV (Chicago) regional office as a result of the decrease in number of credit unions and the increased efficiencies implemented by the agency. These cost cutting measures, which will save the agency approximately \$27 million over 10 years, were taken after a review by the Accountability in Management (AIM) study initiated by NCUA Chairman Dennis Dollar in 2001. The five-region alignment is scheduled to become effective January 1, 2004.

NCUA EASES MEMBER BUSINESS LENDING RULES

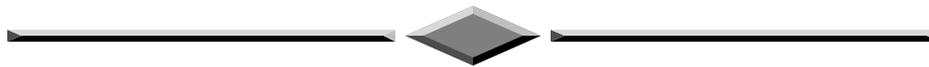
At its March 2003 Board meeting, the NCUA Board issued a proposed rule updating member business lending regulations for federally insured credit unions. The proposed rule, open for public comment for a 60-day period, "is designed to increase access to small business capital for credit union members consistent with the authority granted by Congress through the Federal Credit Union Act," according to Chairman Dollar.

NCUA APPROVES NEW SET OF FIELD OF MEMBERSHIP RULES

Also at its March 2003 Board meeting, the NCUA Board issued a comprehensive revision to federal credit union chartering and field of membership rules to provide greater diversification options for federal credit unions consistent with the Credit Union Membership Access Act and recent court decisions.

NCUA BOARD NAMES JOHNSON AS VICE CHAIR

On January 15, 2003, the NCUA Board voted unanimously to name JoAnn Johnson as the Vice Chair of the Board. The designation was effective immediately. When the NCUA Board selected a Vice Chair in the past, it was traditionally the other Board Member from the same political party as the Chairman and the President. Vice Chair Johnson was an Iowa State Senator prior to her appointment to the NCUA Board in 2002. Johnson was nominated to a seat on the NCUA Board by President George W. Bush in November 2001.



FEDERALLY INSURED CREDIT UNION HIGHLIGHTS

Credit unions submit semiannual call reports (financial and operational data) to NCUA. An NCUA staff assessment of the December 31, 2002, semiannual call reports submitted by all federally insured credit unions found that virtually all key financial indicators were stable.

KEY FINANCIAL INDICATORS STABLE

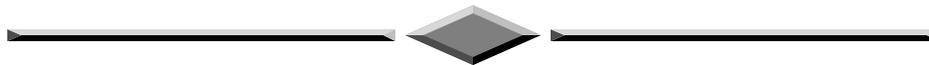
Looking at the December 31, 2002 annual statistics for major balance sheet items and key ratios shows the following for the nation's 9,688 federally insured credit unions: assets grew 11.1 percent, or \$55.5 billion; net worth to assets ratio decreased from 10.8 percent to 10.7 percent; the loan to share ratio to decrease slightly from 73.8 percent to 70.8 percent; the delinquency ratio decreased from .82 to .80 percent; and credit union return on average assets increased from .94 percent to 1.1 percent.

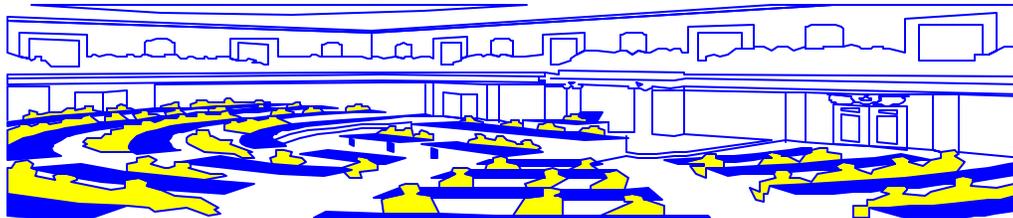
SAVINGS INCREASED DURING 2002

Total share accounts increased 10.8 percent, or \$47.1 billion; share drafts increased 7.1 percent; regular shares increased 15.2 percent; share certificates increased .1 percent; money market shares grew 24.3 percent; IRA/KEOGH accounts grew 8.2 percent; and other shares increased 9.7 percent.

LOAN GROWTH ALSO INCREASED DURING 2002

All loan categories, *except* for unsecured credit card loans and all other unsecured loans, experienced growth. Loan growth of 6.3 percent resulted in an increase in total loans of \$20.2 billion. However, shares grew at a faster rate than loans, causing the loan to share ratio to decrease slightly from 73.8 percent in 2001 to 70.8 percent in 2002.



LEGISLATIVE HIGHLIGHTS**CHAIRMAN DOLLAR APPEARS BEFORE HOUSE SUBCOMMITTEE TO DISCUSS CREDIT UNION PROVISIONS IN FINANCIAL SERVICES REGULATORY RELIEF ACT OF 2003**

On March 27, 2003, NCUA Chairman Dollar appeared before the House Subcommittee on Financial Institutions and Consumer Credit to discuss NCUA's views on H.R. 1375, the "Financial Services Regulatory Relief Act of 2003." Chairman Dollar reiterated recommendations NCUA had previously provided addressing regulatory relief and productivity improvements for federal credit unions. The Act currently includes thirteen provisions relating to credit unions, including a proposal introduced on January 27, 2003, to amend the *Federal Credit Union Act* to exclude loans made to non-profit religious organizations from Member Business Loan caps.

BANKRUPTCY REFORM LEGISLATION UPDATE

On March 19, 2003, the House approved legislation, H.R. 975, the Bankruptcy Abuse and Consumer Protection Act of 2003, by a vote of 315 to 113. The House approved an amendment cosponsored by Representatives Patrick Toomey (R-PA) and Brad Sherman (D-CA) that revises the laws with respect to the termination and netting of financial contracts for federally insured credit unions. At this time, the course of action in the Senate is uncertain.

SARBANES-OXLEY ACT OF 2002 COMPLIANCE CONSIDERED

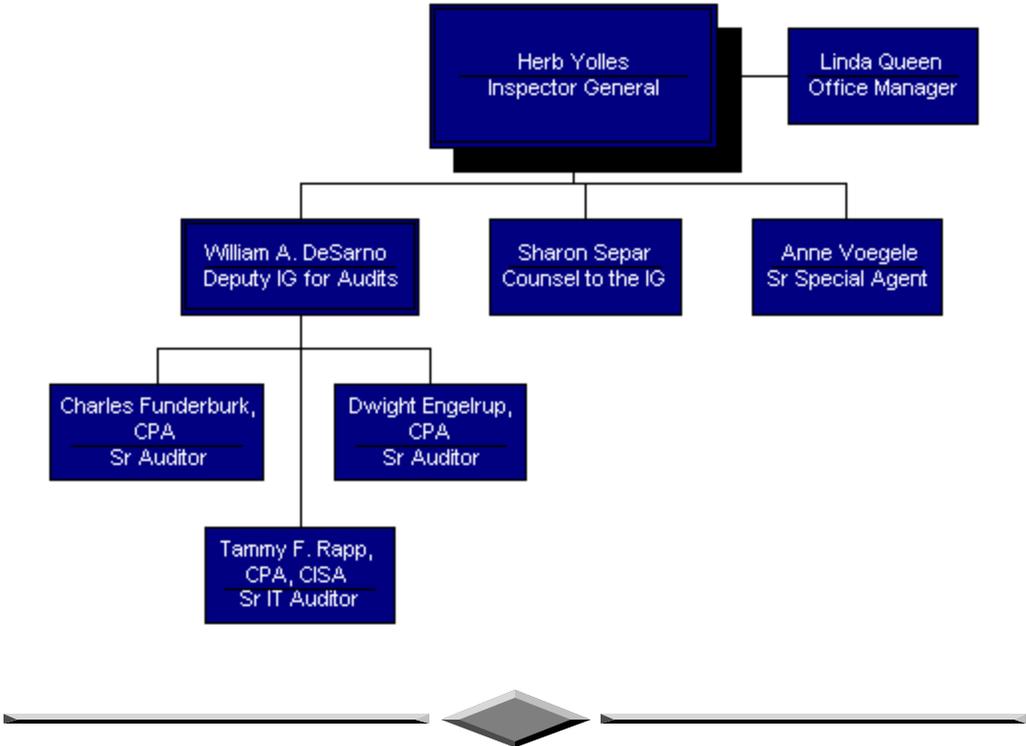
As private sector corporations strive to reform their internal governance in conformance with the requirements of the Sarbanes-Oxley Act of 2002 (Act), federal agencies, including NCUA, are considering the eventual impact the Act will have in the federal community. Given NCUA's responsibility as an insurer of a large public risk insurance fund, the NCUA Office of Inspector General has begun monitoring the Act to determine whether the agency's policies are in accord with the spirit of the Act.

OFFICE OF THE INSPECTOR GENERAL

The Office of the Inspector General was established at the NCUA in 1989 under the authority of the Inspector General Act of 1978, as amended in 1988. The staff consists of the Inspector General, Deputy Inspector General for Audits, Counsel to the Inspector General, Senior Special Agent, two Senior Auditors, Senior Information Technology Auditor, and Office Manager.

The Inspector General reports to, and is under the general supervision of, the NCUA Board. The Inspector General is responsible for:

- 1. Conducting, supervising, and coordinating audits and investigations of all NCUA programs and operations;
- 2. Reviewing policies and procedures to ensure efficient and economic operations as well as preventing and detecting fraud, waste, and abuse;
- 3. Reviewing existing and proposed legislation and regulations to evaluate their impact on the economic and efficient administration of agency programs; and
- 4. Keeping the NCUA Board and the Congress apprised of significant findings and recommendations.



AUDIT ACTIVITY

AUDIT REPORTS ISSUED

Region II Member Complaint Process Review

OIG-03-01 March 31, 2003

Member inquiries and complaints received by NCUA regional offices typically include complaints against credit unions; credit report requests; inquiries on how to correct credit reports; requests for reconsideration of a loan denial; complaints against banks or other non-credit union institutions; and loan documentation requests intended for a credit union.

The manner in which NCUA responds to inquiries and complaints by credit union members and the public plays a part in fulfilling the agency's vision of working with the cooperative credit union system to provide service to all segments of American society and to enable credit union members to thrive in the 21st century.

The purpose of this review was to evaluate Region II's process and effectiveness in addressing complaints and inquiries received from members of natural person credit unions during 2002.

We observed that Region II's process and methods were appropriate for the region's current guidance, and that the region has devoted significant resources to respond to member complaints and inquiries. Region II appears to be going the extra mile in attempting to resolve member complaints against credit unions.

We noted that like other NCUA regions, Region II is devoting significant resources to member inquiries and complaints that are non-regulatory or non-compliance in nature. Our sample review indicated two-thirds of the complaints addressed by the region were non-regulatory or non-compliance related complaints. Management estimated that eighty percent of all complaints handled were non-regulatory or non-compliance-related.

Overall, we concluded that Region II takes seriously its responsibility to answer inquiries in a timely and professional manner. We discussed the results of our review with regional management and staff. Our report provided four recommendations for improving the member complaint process in Region II.

As a result of our findings during the course of the Region II review, we subsequently conducted a more comprehensive national review of NCUA's overall member complaint process, encompassing the additional NCUA regional offices. We intend to issue a report on this subsequent review in the near future. That report will include a detailed consideration of NCUA's role in responding to consumer complaints that do not allege violations of consumer laws and regulations.

NCUA Financial Statement Audits, dated March 31, 2003

Our contract accounting firm, Deloitte & Touche LLP, issued opinions on the 2002 financial statements of the National Credit Union Administration Operating Fund, National Credit Union Share Insurance Fund, the Central Liquidity Facility, and the Community Development Revolving Loan Fund. The auditors found that the financial statements presented fairly the financial position of the agency's funds as of December 31, 2002. The firm issued its opinions on February 28, 2003.

The NCUA Operating Fund (OIG-03-02) was established as a revolving fund managed by the NCUA Board for the purpose of providing administration and service to the federal credit union system. The auditors issued an **unqualified opinion** on the Operating Fund's financial statements. The Funds total assets for 2002 were \$55.9 million, down from \$57.2 million in 2001.

The National Credit Union Share Insurance Fund (OIG-03-03) was established as a revolving fund managed by the NCUA Board to insure member share deposits in all Federal credit unions and qualifying state credit unions up to \$100,000 per shareholder account. The auditors issued an **unqualified opinion** on the Share Insurance Fund's financial statements. The Fund's total assets for 2002 were \$5.7 billion, up from \$5.1 billion in 2001.

The Central Liquidity Facility (OIG-03-04) was established as a mixed ownership government corporation managed by the NCUA Board to improve general financial stability by meeting the liquidity needs of credit unions. The auditors issued an **unqualified opinion** on the CLF's financial statements. The CLF's total assets for 2002 were \$1.1 billion, up from \$985 million in 2001.

The Community Development Revolving Loan Fund's (OIG-03-05) purpose is to stimulate economic activities in the communities served by low-income credit unions. This in turn will result in increased income, ownership and employment opportunities for low-wealth residents and other economic growth. The auditors issued an **unqualified opinion** on the Fund's financial statements. The CDRLF's total assets for 2002 were \$13.3 million, down from \$13.8 million in 2001.

The financial auditors did not find any matters considered to be *material* weaknesses in their review of the Funds' internal control structures pertinent to financial reporting. However, during the performance of the audit, several observations and recommendations were presented relating to internal control over financial reporting, and certain other accounting, administrative, and operating matters.

AUDITS IN PROGRESS

National Review of NCUA's Member Complaint Handling Process

The objective of this review is to provide a detailed consideration of NCUA's role in responding to consumer complaints that do not allege violations of consumer laws and regulations. We will evaluate the best practices of other federal financial institution regulators in responding to consumer complaints, and provide the NCUA Board with options for improving the process within NCUA.

Review of NCUA's Parking Operations Agreement

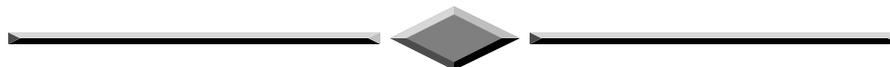
It has been 10 years since NCUA originally entered into a parking lot operations agreement for management and operation of the parking garage located directly under the NCUA Central Office Building at 1775 Duke Street, Alexandria, Virginia. This review will focus on the controls in place to ensure the accurate reporting of revenue and expenses related to NCUA's parking spaces.

Review of NCUA's Risk Based Exam Scheduling Process

The objective of this review is to evaluate the guidance provided to NCUA's regional offices and regional office implementation of this guidance in selecting credit unions for participation in the Risk Based Exam Scheduling Program.

SIGNIFICANT AUDIT RECOMMENDATIONS ON WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

As of March 31, 2003, there were no significant audit recommendations on reports issued over six months ago that have not been either fully implemented or in the process of implementation.



INVESTIGATIVE ACTIVITY

In accordance with professional standards and guidelines established by the Department of Justice, the OIG performs investigations of criminal, civil, and administrative wrongdoing involving agency programs. Our investigative jurisdiction focuses on activities designed to promote economy, effectiveness, and efficiency, as well as fighting fraud, waste, and abuse in agency programs. In addition to our efforts to deter misconduct and promote integrity awareness among agency employees, we investigate referrals and direct reports of employee misconduct. Investigations may involve possible violations of regulations regarding employee responsibilities and conduct, Federal criminal law, and other statutes and regulations pertaining to the activities of NCUA employees. Investigative findings may lead to criminal prosecution, civil prosecution, or administrative action.



Moreover, we receive complaints from credit union members and officials that involve NCUA employee program responsibilities. These complaints are examined to determine whether there is any allegation of NCUA employee misconduct. If not, the complaint is referred to the appropriate regional office for response, or closed if contact with the regional office indicates that the complaint has already been appropriately handled.

Investigative Operations	
Contacts/inquiries/investigations carried forward from previous reporting period	7
Contacts initiated during reporting period	7
Contacts closed	1
Investigative reports issued	6
Matters referred back to the agency	3
Management Implication Reports issued	1
Matters remaining open	3

CLOSED INVESTIGATIONS**Misuse of Travel Card**

Based on findings from a previous review and referrals, we investigated and/or closed five cases involving questionable charges appearing on employees' government travel charge card reports. Each of these cases revealed charges for personal items in violation of agency policy for use of the travel card. Three of these cases were referred back to the agency for management action based on de minimis personal charges.

In one case, the employee's personal charges totaled in excess of \$6,000. The agency suspended the employee for three days.

In another case, the employee charged several thousand dollars in personal purchases. The agency has proposed a three day suspension for the employee and is currently deliberating a final decision.

Improper Conduct

The OIG investigated allegations that two employees revealed to an outside party agency financial information obtained during the course of their duties. One employee was determined not to have been involved, and the other employee was determined to have engaged in inappropriate conversation while intoxicated. The employee was issued a letter of reprimand.

False Claims/False Statements

During this reporting period, we conducted three investigations regarding false claims on travel vouchers and/or false statements given to a Federal Agent while under oath.

In one investigation, the employee was alleged to be in violation of a direction to reside within her assigned duty station. The employee's actual residence, which was approximately 100 miles from her claimed address, enabled her to submit false vouchers which claimed a substantially higher locality pay, and enabled her to obfuscate her actual hours of work. The United States Attorney's office authorized the use of administrative Kalkines warnings for this investigation. During her interview with the OIG, the employee provided false testimony while under the Kalkines immunity agreement. NCUA management is currently deliberating a course of action in this matter.

Two investigations involved allegations of false voucher claims for travel reimbursement and related falsification of attendance at a required agency training session. The United States Attorney's office authorized the use of Kalkines warnings in both cases. In one of the cases, the employee provided false testimony to the OIG while under the Kalkines immunity agreement. However, the employee subsequently acknowledged the false statement during the same interview.

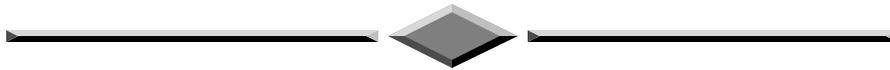
In the other investigation, the employee acknowledged the false claim, and also admitted to other false claims. The agency is currently deliberating appropriate disciplinary action in both cases.

Open Investigations

The OIG is currently conducting an initial inquiry into allegations of contract fraud by a government contractor. Additionally, we have two open investigations involving employee misconduct.

Agency Referrals

During this reporting period the OIG received seven written requests for investigations of actions taken by credit unions. These matters were referred to the agency for appropriate action.



LEGISLATIVE AND REGULATORY REVIEWS

Section 4(a) of the Inspector General Act requires the Inspector General to review existing and proposed legislation and regulations relating to the programs and operations of NCUA and to make recommendations concerning their impact. Moreover, we routinely review proposed agency instructions and other policy guidance, in order to make recommendations concerning economy and efficiency in the administration of NCUA programs and operations and the prevention and detection of fraud, waste and abuse.

During the reporting period, the OIG reviewed 15 items, including proposed and final changes to legislation, regulations, and agency Interpretive Ruling and Policy Statements (IRPS).

SUMMARY OF STATUTES AND REGULATIONS REVIEWED	
Legislation	Title
H.R. 975	“Bankruptcy Abuse and Consumer Protection Act of 2003”
H.R. 1375	“Financial Services Regulatory Relief Act of 2003”
H.R. 4685	“Accountability of Tax Dollars Act of 2002”
H.R. 2458	“E-Government Act of 2002”
H.R. 3162	“USA PATRIOT Act”
H.R. 3763	“Sarbanes-Oxley Act of 2002”
Regulations/Rulings	Title
12 CFR Part 701	Final Rule on Chartering and Field of Membership
12 CFR Parts 702, 704, 712, 723	Notice of Proposed Rulemaking on Prompt Corrective Action; Corporate Credit Unions; Credit Union Service Organizations; and Member Business Loans
12 CFR § 701.19	Final Rule Regarding Benefits for Employees of FCUs
12 CFR § 741.11	Final Regulation on Foreign Branching
12 CFR Part 709	Proposed Rule: “Treatment of Swap Agreements in Liquidation or Conservatorship”
5 CFR Parts 2637 and 2641	Proposed Rule (Office of Government Ethics): “Post-Employment Conflict of Interest Restrictions”
12 CFR Parts 702, 741, 747	“Prompt Corrective Action”
12 CFR Part 702	Proposed Rule: “Prompt Corrective Action; Net Worth Restoration Plans”
IRPS 02-04	Proposed Rule: Change in Definition of Small Credit Union

TABLE I

INSPECTOR GENERAL ISSUED REPORTS WITH QUESTIONED COSTS				
		Number of Reports	Questioned Costs	Unsupported Costs
A.	For which no management decision had been made by the start of the reporting period.	0	\$0	\$0
B.	Which were issued during the reporting period.	0	0	0
	Subtotals (A + B)	0	0	0
C.	For which management decision was made during the reporting period.	0	0	0
	(i) Dollar value of disallowed costs	0	0	0
	(ii) Dollar value of costs not disallowed	0	0	0
D.	For which no management decision has been made by the end of the reporting period.	0	0	0
E.	Reports for which no management decision was made within six months of issuance.	0	0	0

Questioned costs are those costs the OIG has questioned because of alleged violations of laws, regulations, contracts, or other agreements; findings which at the time of the audit are not supported by adequate documentation; or the expenditure for the intended purpose is unnecessary or unreasonable.

Unsupported costs (included in "Questioned Costs") are those costs the OIG has questioned because of the lack of adequate documentation at the time of the audit.

TABLE II

INSPECTOR GENERAL ISSUED REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE			
		Number of Reports	Dollar Value
A.	For which no management decision had been made by the start of the reporting period.	0	\$0
B.	Which were issued during the reporting period.	0	0
	Subtotals (A + B)	0	0
C.	For which management decision was made during the reporting period.	0	0
	(i) Dollar value of recommendations agreed to by management.	N/A	N/A
	(ii) Dollar value of recommendations not agreed to by management.	N/A	N/A
D.	For which no management decision was made by the end of the reporting period.	0	0
E.	For which no management decision was made within six months of issuance.	0	0

Recommendations that "Funds to be Put to Better Use" are those OIG recommendations that funds could be used more efficiently if management took actions to reduce outlays, de-obligate funds from programs/operations, avoid unnecessary expenditures noted in pre-award reviews of contracts, or any other specifically identified savings.

TABLE III

SUMMARY OF OIG ACTIVITY OCTOBER 1, 2002 THROUGH MARCH 31, 2003		
PART I – AUDIT REPORTS ISSUED		
Report Number	Title	Date Issued
OIG-03-01	Region II Member Complaint Process Review	3/31/2003
OIG-03-02	Financial Audit: NCUA Operating Fund	3/31/2003
OIG-03-03	Financial Audit: Share Insurance Fund	3/31/2003
OIG-03-04	Financial Audit: Central Liquidity Facility	3/31/2003
OIG-03-05	Financial Audit: Community Development Revolving Loan Fund	3/31/2003
PART II – AUDITS IN PROCESS (as of March 31, 2003)		
	National Review of NCUA’s Member Complaint Handling Process	
	Review of NCUA’s Parking Operations Agreement	
	Review of NCUA’s Risk Based Exam Scheduling Process	

INDEX OF REPORTING REQUIREMENTS

SECTION	DATA REQUIRED	PAGE REF
4(a)(2)	Review of Legislation and Regulations	15
5(a)(1)	Significant Problems, Abuses, or Deficiencies relating to the administration of programs and operations disclosed during the reporting period.	9
5(a)(3)	Recommendations with Respect to Significant Problems, Abuses, or Deficiencies.	9
5(a)(3)	Significant Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed.	11
5(a)(4)	Summary of Matters Referred to Prosecution Authorities and Prosecutions, Which Have Resulted.	None
5(a)(5)	Summary of Each Report to the Board Detailing Cases Where Access to All Records Was Not Provided or Where Information Was Refused.	None
5(a)(6)	List of Audit Reports Issued During the Reporting Period.	18
5(a)(7)	Summary of Particularly Significant Reports.	9
5(a)(8)	Statistical Tables on Audit Reports With Questioned Costs.	16
5(a)(9)	Statistical Tables on Audit Reports With Recommendations That Funds Be Put To Better Use.	17
5(a)(10)	Summary of Each Audit Report Issued Before the Start of the Reporting Period for Which No Management Decision Has Been Made by the End of the Reporting Period.	None
5(a)(11)	Description and Explanation of Reasons for any Significant Revised Management Decision Made During the Reporting Period.	None
5(a)(12)	Information Concerning Significant Management Decisions With Which the Inspector General is in Disagreement.	None

WE WANT TO HEAR FROM YOU

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**WASHINGTON METRO AREA
703-518-6357**

**You may call ANONYMOUSLY, or request that YOUR call be kept
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